

## REVISED AGENDA

### COMMITTEE ON ADMINISTRATION/INFORMATION SYSTEMS

**January 9, 2007**

**Aldermen O'Neil, Lopez,  
Smith, Forest, DeVries**

**5:30 PM**

**Aldermanic Chambers  
City Hall (3<sup>rd</sup> Floor)**

1. Chairman O'Neil called the meeting to order.
2. The Clerk called the roll.
3. Presentation by Jennie Angell, Acting Director of Information Services, on "The Disaster Recovery Site: What it Does and What it Costs."
4. Communication from NeighborWorks Greater Manchester submitting proposed ordinance amendments relating to negligent property owners/landlords.  
*(Note: referred to City staff on 12/12/2006.)*  
**Ladies and Gentlemen, what is your pleasure?**
5. Communication from Mayor Guinta requesting consideration of the establishment of a Department of Administrative Services.  
**Ladies and Gentlemen, what is your pleasure?**
6. Report from Mayor Guinta and the Public Works Director, if available, regarding previous recommendations of the Public Works Director regarding centralized purchasing.  
*(Note: responses from departments enclosed.)*  
**Ladies and Gentlemen, what is your pleasure?**
7. Recommendation from departments regarding contract for centralized copier purchasing, if available.  
**Ladies and Gentlemen, what is your pleasure?**
8. If there is no further business, a motion is in order to adjourn.

Chairman Daniel O'Neil  
Committee on Administration and Information Systems  
1 City Hall Plaza  
Manchester, NH 03101

Dec. 5, 2006

Dear Chairman O'Neil:

Per the suggestion in your e-mail reply of Nov. 21, we write to you today on behalf of the Community Services Committee here at NeighborWorks Greater Manchester.

Comprised of concerned residents from across the city and the Greater Manchester region, the Community Services Committee is charged with developing and executing campaigns to address quality-of-life issues. At present, the issue of problem landlords and other negligent property owners is at the top of the committee's priority list.

The committee believes that a number of the problems posed by these property owners could be lessened significantly with a few minor changes and additions to the City's Code of Ordinances.

In general, the ordinance changes we propose would, we believe, enhance the City's ability to apply pressure to problem landlords and other negligent property owners, thus improving our neighborhoods.

At the same time we recognize that without adequate City staff in place to enforce City code, the effect of having more stringent ordinances will be minimized. As such, we encourage the Board of Mayor and Aldermen to hire such staff. A start would be to hire staff solely dedicated to the Neighborhood Enhancement Team.

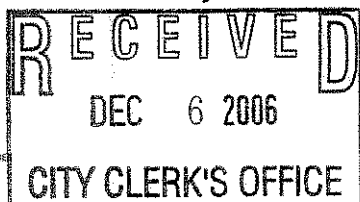
As you're well aware, N.E.T., since its inception two months ago, has been swamped with complaints regarding non-compliant property owners. Among other things, this shows the extent to which Manchester residents see code violations in their neighborhoods to be a major quality-of-life issue.

Thank you in advance for considering the Community Services Committee's proposed ordinance changes. While certainly not perfect, we believe they will go a long way toward improving neighborhoods across the city.

NeighborWorks®  
Greater Manchester  
20 Merrimack Street  
Manchester, NH 03101  
T: 603.626.4663  
F: 603.623.8011  
[www.nwgreatermanchester.org](http://www.nwgreatermanchester.org)

**BOARD OF TRUSTEES**

R. Scott Bacon  
Barry Brensinger  
Robert Dastin  
Sylvio Dupuis  
David Goodwin  
Fred B. Kfoury, Jr.  
Claire Monier





NeighborWorks® Greater Manchester enhances peoples' lives and the community environment by providing access to quality housing services, revitalizing neighborhoods and supporting opportunities for personal empowerment. NeighborWorks® Greater Manchester enhances peoples' lives and the community environment by providing access to quality housing services, revitalizing neighborhoods and supporting opportunities for personal empowerment. NeighborWorks® Greater Manchester enhances peoples' lives and the community environment by providing access to quality housing services, revitalizing neighborhoods and supporting opportunities for personal empowerment.

We look forward to hearing your thoughts on this matter and to working with you to improve and strengthen Manchester's neighborhoods.

Regards,

Glenn Ouelette  
Committee Chairman

Will Stewart  
Community Services Specialist

NeighborWorks®  
Greater Manchester  
20 Merrimack Street  
Manchester, NH 03101  
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Claire Monier



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### Proposed Ordinance Changes\*

#### **38.06 CITATION PENALTIES.**

(A) The penalties for any offense relating to the following sections for which a citation has been issued shall be as follows:

<u>Code Section</u>	<u>First Offense</u>	<u>Second Offense</u>	<u>Third Offense</u>
150.023	\$100	\$200	\$300
150.060	\$100	\$200	\$300
150.061	\$100	\$200	\$300
150.062	\$100	\$200	\$300
150.063	\$100	\$200	\$300
150.064	\$100	\$200	\$300

*Change: Increase all Housing Code violations (listed above; dealing with trash, waste storage, sidewalks, sanitation, etc.) to \$250 for first offense, \$500 for second offense, \$750 for third offense.*

*Add: (C) Unless otherwise noted, citations shall be paid within seven days of issue. If a citation is served via certified or registered mail, citations shall be paid within seven days from receipt of their delivery. If not paid within seven days, the penalty imposed shall double.*

Reasoning: It's said that a number of problem landlords would rather pay a \$100 fine from time to time than actually be bothered to clean up their act. Perhaps if they had to pay more money they would change their habits instead. R.S.A. 47:17 allows municipalities to issue fines up to \$1,000.

#### **38.04 CITATION DEFINED; CONTENTS.**

A citation is a written and/or printed notice describing a specific violation of city ordinance or code which is serviced on the person responsible for the violation. Each day on which a violation exists or occurs is a separate offense, and a citation may be issued for each offense.

*Change last sentence to read: Each day on which a violation exists or occurs is a separate offense, and a citation **shall** be issued for each offense.*

*Add: If another violation occurs within a 60-day period from date of issue of the last citation, an additional citation shall be issued to the person responsible, with no warning, written or oral, to be required. A new 60-day probation period would begin at the date of the most recent citation.*

Reasoning: If problem landlords are hit with a \$250 fine every day until they fix whatever they're being cited for, it stands to reason that the next time they'll be more apt to fix the problem immediately, or try harder to prevent violations from occurring.

#### **150.151 LIEN.**

Add: (C) Whenever any person, firm or corporation who violates any section of the Housing Code Department and cannot be contacted either in person or by registered or certified mail to respond to any resulting citations, *the fine amount of said citations and any related costs associated with serving the citations, shall be a lien against the real property* which such cost was incurred and such lien, including as part thereof upon allowance of his costs all necessary attorney's fees, may be foreclosed upon order of the Superior Court made pursuant to a petition for that purpose filed in said court. Such lien shall be subordinate to mortgages of record made before the institution of proceedings under this section. Notice of the lien shall be filed with the register of deeds for the county in which the real estate is situated, and shall be recorded by him.

Reasoning: This proposed ordinance is directed at property owners whom city inspectors cannot successfully locate or communicate with. If necessary, it might provide a way for the city to foreclose on such properties (or at least threaten to).

#### **91.69 DUTY TO MAINTAIN PREMISES FREE OF LITTER**

Add: (B) All owners, landlords and property managers of any multi-family dwelling shall be required to provide their tenants a pamphlet detailing city ordinances regarding trash, garbage, rubbish, yard waste and furniture, and the proper disposal thereof. Tenants shall sign an accompanying form stating they understand said ordinances and agree to abide by them. A pamphlet detailing the city's curbside recycling program shall also be provided to tenants.

Reasoning: Taking inspiration from the federal law requiring landlords to give tenants a pamphlet about lead paint hazards, this is more of a root-cause, education approach. Perhaps if tenants knew all they have to do to get their mattresses and old couches removed is call the Highway Department and schedule a time for free pick up, maybe they wouldn't just throw them out on the sidewalk whenever they feel like it.

\* Please note that for each proposed change you'll find the existing ordinance number in bold (or what it might be if passed), its current text, and then the proposed changes below in italics. If there are no italics, the proposed ordinance is completely new. Below the proposed changes we've included the reasoning behind them.

**LeBlond-Kang, Paula**

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**From:** Normand, Matthew  
**Sent:** Thursday, December 14, 2006 2:28 PM  
**To:** LaFreniere, Leon; Sink, Matthew; Soucy, Timothy; Clark, Thomas; Robinson, Dale  
**Cc:** O'Neil, Daniel  
**Subject:** Committee on Administration/Proposed Ordinance Changes

The Committee on Administration has requested that a staff committee look at proposed changes to the Code of Ordinances as submitted by Will Stewart of NeighborWorks and report back to the Committee at the next meeting, tentatively scheduled for January 9, 2007. The Building has indicated that they are unavailable until the week of January 1. I would like to meet January 3, 2007 at 10:00 a.m. in the Solicitor's Office. Please let me know if you will be able to attend.

Thank you,

Matthew Normand  
Deputy Clerk of Licensing & Facilities  
Business Licensing Division  
Office of the City Clerk  
T:(603) 624-6348 F:(603) 624-6481  
[www.manchesternh.gov](http://www.manchesternh.gov)



Office of the Mayor  
Hon. Frank C. Guinta

# City of Manchester

**IN BOARD OF MAYOR & ALDERMEN**

**DATE:** January 2, 2007

**ON MOTION OF ALD. Garrity**

**SECONDED BY ALD. Roy**

refer to the Committee on  
**VOTED TO Administration/Info Systems.**

January 2, 2006

*J. L. Beane*  
CITY CLERK

The Board of Aldermen  
One City Hall Plaza  
Manchester, NH 03101

Re: Department of Administrative Services

Dear Members of the Board:

With the recent retirements of several department heads, and with an expectation of additional retirements in the coming years, I think it would be prudent at this time for the Board of Mayor & Aldermen to consider the establishment of a Department of Administrative Services. Such a department would be modeled after similar governmental agencies existing at the state and municipal levels throughout the country.

Ideally, the City would consolidate various departments into a Department of Administration consisting of numerous subdivisions. The creation of such a department would benefit city government in several ways. First, the creation of such a department would result in greater cost savings through the reduction in personnel, especially those at upper pay grades. Second, such a department would reduce the bureaucracy that frustrates consumers and employees alike. Third, by coordinating administrative services into one department, the city can achieve greater efficiencies in service. Fourth, the Board of Mayor & Aldermen can expect improved communication between itself and the proposed department.

At this time, I have no preconceived notion on what departments should be folded into such a department. We should consider all departments in our evaluation of this proposal in order to determine what makes the most sense and what is in the best interest of the average taxpayer. I look forward to having a vigorous discussion with the Board and hope that together we can reach a consensus opinion.

Respectfully Yours,

*Frank C. Guinta*  
Frank C. Guinta  
Mayor

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# CITY OF MANCHESTER

## Board of Aldermen



### MEMORANDUM

To: All Department Heads

From: Alderman O'Neil, Chairman  
Committee on Administration/Information Systems

Date: December 13, 2006

Re: Centralized Purchasing

At the December 12<sup>th</sup> meeting of the Committee on Administration discussion was held relative to centralized purchasing. The Committee voted to refer the enclosed recommendations of the Public Works Director to Mr. Thomas and the Mayor to work with departments and report back to the Committee.

Please review the enclosed communication and respond back to the Committee via the City Clerk's office no later than December 22<sup>nd</sup> with any concerns or specific suggestions you may have. To the extent that responses can be set forth in a simple manner it would be appreciated.

Enclosure

pc: Mayor Guinta  
Board of Aldermen





**City of Manchester  
Department of Highways**

227 Maple Street  
Manchester, New Hampshire 03103-5596  
(603) 624-6444 Fax # (603) 624-6487

**Commission**

Edward J. Beleski  
- Chairman  
Joan Flurey  
William F. Houghton Jr.  
Robert R. Rivard  
William A. Varkas

Frank C. Thomas, P.E.  
Public Works Director

Kevin A. Sheppard, P.E.  
Deputy Public Works Director

October 4, 2006  
#06-075

Administration/Information Systems Committee  
of the Honorable Board of Mayor and Aldermen  
CITY OF MANCHESTER  
One City Hall Plaza,  
Manchester, New Hampshire 03101

**Attn:** Leo R. Bernier, City Clerk

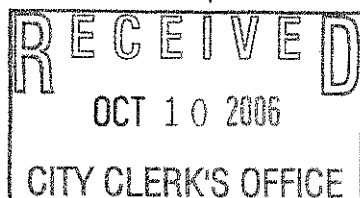
**Re:** *Central Purchasing and Central Fleet Management*

Dear Committee Members:

As requested by Chairman O'Neil, we are submitting our comments and suggestions for Central Purchasing and Central Fleet Management.

It is clear that the City has committed itself to utilize "Purchase Cards" (P-Cards) and as a result of this commitment, all departments should make a serious effort to make them work in order to generate the proposed revenues. As noted at the recent Committee Meeting, we do have the following operational concerns, which will have to be considered:

- 1) With the existing Purchase Order System, purchases are immediately encumbered in our operating budget, which allows us to track expenses daily. With the P-Card system, purchases will take anywhere from a couple of days to a couple of weeks before the transaction comes back to us for our final approval. (Vendors may hold transaction, time for the bank to make the transaction, time from the bank back to City and into the City's system, and then time for review of the transaction with detail back-up at the department level.)



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October 4, 2006

Pg. (2)

- 2) It has been stated that P-Cards will save processing time at the department level. This is not correct if a department has a detailed work order/costing system, which includes an inventory/fleet system similar to what we have in place. A detailed accurate costing system is the essential base for any activity-based budget or zero-based budget or performance-based budget. In order to accomplish the same level of detail with the P-Card System, purchases must be manually allocated by type and quantity to different job numbers when the purchase comes back to the Department for final approval. There is also still a question on exactly how purchases will be made to inventory. P-Card purchases for a specific vehicle must be manually entered into the fleet costing system where the present work order system allows for a direct connection.
- 3) If a purchase is made by telephone, the vendor immediately has the P-Card number and can make the transaction with the bank. The order placed may not get delivered to a department for days. If the delivery is wrong, the vendor has already been paid and our only recourse is to challenge the charge when the transaction comes back to the department for final approval. This is typically the reason why we in the past tried to avoid the use of credit cards in making purchases. Presently, a purchase order is placed, the delivery slip for the purchase is verified to insure the delivery is correct and then the purchase is processed for payment.
- 4) In order to maximize the use of P-Cards, a major labor effort must be made to convince vendors of the benefits of the card while still maintaining our existing discounts.

I am confident that the City departments will be able to address these noted issues in order to maintain a high level of cost control and at the same time promote the use of P-Cards, which will generate the desired revenues.

In addition, I have to agree with Mr. Kevin Clougherty when he states that P-Cards will greatly reduce the number of checks that his Department must process and that it will free up his staff's time. As a result, the Committee may want to consider leaving the administration of the P-Card Program under the Finance Department and allow their freed-up time to administer and to promote the cards use with vendors. As stated by Mr. Clougherty, the use of P-Cards is a Finance Director decision and they are no different than the use of credit cards, which was administered by the Finance Department in the past.

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At your recent Committee Meeting, Mr. Kevin Dillon stated that it might make sense to use a Central Purchasing Operation to procure items common to most departments, but to allow each individual department the right to procure the goods and services specific to their department/operation. I certainly share his view and I believe other departments also share this position. Building on this view of what a Central Purchasing Operation should provide as a service to other departments, I offer the following for consideration:

1. Assuming the administration and promotion of P-Cards remain in the Finance Department with their existing staff, the presently identified two City employees (Mindy and Lisa) could be assigned to a Central Purchasing Operation.
2. They could procure common supplies for departments. Example: Office supplies could be bid requiring vendors to bid their catalog minus a deductible percentage off their retail price. You could also require that the vendor accept P-Cards, that they must deliver free within X hours and with no minimum or a set minimum. Once a vendor and catalog has been awarded the contract, each department could then order their own materials and supplies directly.
3. Where Mindy was our Purchasing Agent, I would hope that in her capacity in Central Purchasing that she could continue to procure our parts, materials and supplies. However, she could expand this procurement to a citywide basis by having other departments include their items on our bidding documents. Example: Our vehicle parts bids could be circulated to other departments in order to have them add their specific needs for tires, batteries, parts, etc. to our bid. This procedure could potentially result in better prices for us all or as a minimum, for the smaller department.
4. Central Purchasing working with a Committee of the Board could develop procurement policies and procedures in order to standardize purchases. Procurement documents could also be standardized where appropriated. Departments such as Public Works, the Manchester Water Works and the Airport Authority have developed procurement documents that have been constantly reviewed, updated and contractor/vendor tested. Other departments could utilize these proven documents.
5. Central Purchasing could oversee the maintenance of a citywide bid summary (presently exists), which will allow all departments to take advantage of procurements made by Central Purchasing or by other departments.

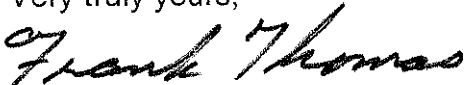
October 4, 2006  
Pg. (4)

I believe a Central Purchasing Operation in the City along the above noted suggested parameters makes sense and should be pursued. I would further suggest that once Central Purchasing has been established and is providing basic services to the City's departments that continued dialog takes place with the Mayor and Aldermen in order to potentially expand its role.

I further believe that the City should focus more on the management of its fleet of vehicles. The City should have an MER Program, which is logical and adequately funded. Departments in addition to budgeting for the maintenance and repair of their vehicles and equipment should also budget for their replacement. Monies budgeted in a department for equipment replacement should be paid yearly into an equipment replacement reserve account. By making departments responsible for budgeting for equipment replacement, a true cost of the departments operations will be realized and a cash replacement fund will be established.

I will be available if you should have any questions pertaining to these comments.

Very truly yours,

A handwritten signature in black ink that reads "Frank Thomas". The signature is written in a cursive, slightly slanted style.

Frank C. Thomas, P.E.  
Public Works Director

/c

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# CITY OF MANCHESTER

## Office of the City Clerk



Leo R. Bernier  
City Clerk


Carol A. Johnson  
Deputy City Clerk

Paula L-Kang  
Deputy Clerk  
Administrative Services

Matthew Normand  
Deputy Clerk  
Licensing & Facilities

Patricia Piecuch  
Deputy Clerk  
Financial Administration

Memo To: Committee on Administration

From:   
Leo R. Bernier  
City Clerk

Date: January 4, 2007

Re: Response to October 4<sup>th</sup> letter of Mr. Thomas

As requested I am responding to Mr. Thomas' letter of October 4<sup>th</sup> to the Committee regarding centralized purchasing.

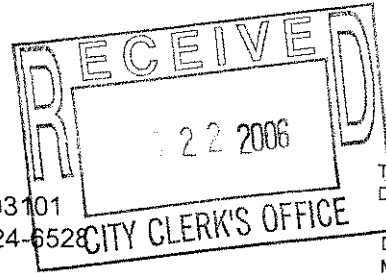
First, I agree with Mr. Thomas' suggestions regarding fleet maintenance and purchasing of large items. I concur from my experience as Clerk of the Board and as a department head that having a large department that has depth to assist with RFP's is a helpful tool for some departments.

I also concur with the suggestions of Mr. Thomas that large supplies of various sorts could be bid upon. Departments could then avail themselves of those prices if the items meets their needs. However, I would ask that in any actions, and in any expansion of the proposed services referred to that department such as the City Clerk's office be allowed to purchase any item, at any time, from any source the department head deems appropriate. The flexibility of meeting emergency needs, scheduling needs, and special item needs must be considered in any centralized purchasing operation.



**City of Manchester  
Office of the City Solicitor**

One City Hall Plaza  
Manchester, New Hampshire 03101  
(603) 624-6523 Fax (603) 624-6528  
TTY: 1-800-735-2964  
Email: [solicitor@ManchesterNH.gov](mailto:solicitor@ManchesterNH.gov)



Thomas R. Clark  
City Solicitor

Thomas I. Arnold, III  
Deputy City Solicitor

Daniel D. Muller, Jr.  
Michele A. Battaglia  
Gregory T. Muller  
Michael A. Beausoleil

December 21, 2006

Committee on Administration/Information Systems  
c/o City Clerk  
One City Hall Plaza  
Manchester, NH 03101

**Re: Centralized Purchasing**

Dear Committee Members:

As requested by the Committee at its December 12, 2006 meeting, I have reviewed the October 4, 2006 communication from Frank C. Thomas, Public Works Director.

In light of the comments provided in my letter of December 6, 2006 to the Committee, I would advise that process proposed by Mr. Thomas is an appropriate one and would work for the needs of this office.

If I can be of any further assistance, feel free to contact me.

Very truly yours,

Thomas R. Clark  
City Solicitor

TRC/hr

cc: Frank C. Thomas, Public Works Director

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## City of Manchester Fire Department

100 Merrimack Street • Manchester, NH 03101-2208

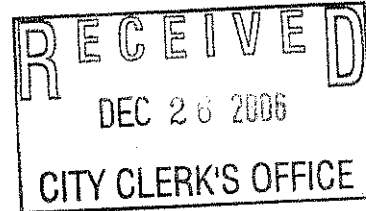
(603) 669-2256 Business • (603) 669-7707 Fax

[www.ci.manchester.nh.us](http://www.ci.manchester.nh.us)

Joseph P. Kane  
Chief of Department

15 December 2006

Hon. Daniel O'Neil, Chairman  
Committee on Administration/Information Systems  
Board of Mayor and Aldermen  
1 City Hall Plaza  
Manchester, NH 03101



Re: Centralized Purchasing

Dear Alderman O'Neil,

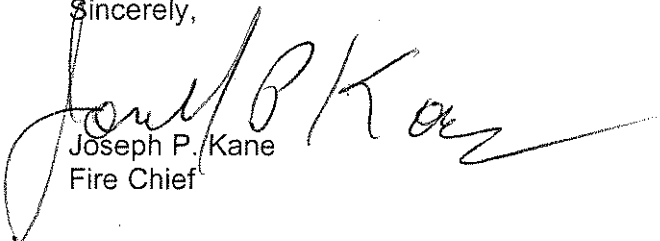
I am writing to follow up on your request for comments regarding Frank Thomas's perspective regarding central purchasing and fleet management.

We have thoroughly read and discussed the Frank's comments regarding the pluses and minuses of purchasing cards. We understand that the implementation of any new program has to be reconciled with current operating practices of those it impacts. In this respect we appreciate the concerns that the Highway Department has with some of the provisions of the "P-Card" program. However, as an organization we are not beset by the problems that occur due to the utilization of a detailed work order/costing system and an inventory /fleet system. It has been our experience that while still in its incipient stages, the "P-Card" system seems to be working well in our Department.

In the matter of Central Purchasing, we concur with the comments made by both Mr. Thomas and Mr. Dillon. The recommendations made by Mr. Thomas are thoughtful and salient and should be considered when considering the implementation of a Central Purchasing program.

Please contact me if you wish to discuss these issues at greater length.

Sincerely,



Joseph P. Kane  
Fire Chief

Fire/Ambulance Emergency 9-1-1

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## CITY OF MANCHESTER

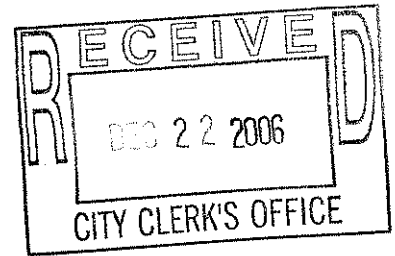
### Department of Health

1528 Elm Street  
Manchester, NH 03101-2106  
Telephone: (603) 624-6466  
Administrative & Environmental Health FAX (603) 628-6004  
Community Health FAX: (603) 665-6894  
School Health FAX: (603) 624-6584  
Website: [www.ManchesterNH.gov/Health](http://www.ManchesterNH.gov/Health)

#### BOARD OF HEALTH

Carol Bednarowski  
Laura Smith Emmick, M.D.  
William A. Mehan, DMD, MS  
Mary Mongan, R.N.  
Kristin H. Schmidt, PA-C

Timothy M. Soucy, REHS, MPH  
Public Health Director



December 19, 2006

Committee on Administration  
Board of Mayor and Aldermen  
One City Hall Plaza  
Manchester NH 03101

Dear Chairman O'Neil and Committee Members:

I have reviewed Mr. Thomas' letter dated October 4, 2006, regarding Central Purchasing. I would like to reiterate the Health Department's support for the concept of procuring items that are common to all city departments (i.e. office supplies) through a central purchasing program, while allowing departments to retain the ability to purchase goods and services specific to their individual department's needs (i.e. medical supplies).

If I can provide any additional information, please do not hesitate to ask.

Sincerely,

Timothy M. Soucy, REHS, MPH  
Public Health Director

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**CITY OF MANCHESTER**  
**Parks, Recreation & Cemetery Department**

625 Mammoth Road  
Manchester, NH 03104-5491  
(603) 624-6565 Administrative Office  
(603) 624-6514 Cemetery Division  
(603) 624-6569 Fax

**COMMISSION**

Stephen Johnson, Chairman  
Sandra Lambert, Clerk  
George "Butch" Joseph  
Michael Worsley  
Dennis Smith  
Ronald Ludwig, Director

December 15, 2006

Committee on Administration/Information Systems  
Alderman Daniel P. O'Neil, Chairman  
One City Hall Plaza  
Manchester, NH 03101

Attention: Leo R. Bernier, City Clerk

Re: Centralized Purchasing

Dear Committee Members,

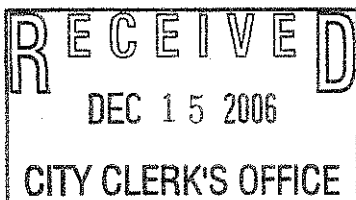
After careful review of Mr. Frank Thomas recommendations, comments and ideas relative to the above issue I totally agree with the approach. The PR&C Department is already using many of the bid opportunities that the MHD has to offer. We have recently supplied their purchasing person with a total list of other small automotive parts which may also be combined into one bid package, which may create additional efficiencies in a combined effort.

With that being said the department appreciates the opportunity to continue with specialized purchases in specific areas that make the most sense, without the need to be governed by Centralized Purchasing. The ability to purchase specialized items allows the department to standardize certain items, such as playground equipment and basketball equipment as well as several other items that no other department may be purchasing, therefore reducing replacement costs and time of replacements.

In closing we agree with the recommended approach brought forward by Mr. Thomas and would offer to work diligently to further enhance combined purchasing efforts to bring forward additional financial efficiencies.

Sincerely,

Ronald E. Ludwig  
Director



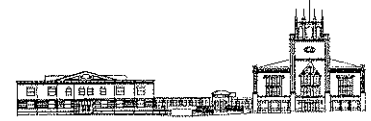
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# CITY OF MANCHESTER

## PARKING DIVISION



Brandy Stanley  
Parking Manager  
bstanley@manchesternh.gov



Brandy Stanley  
Parking Manager  
bstanley@manchesternh.gov

December 18, 2006

Committee on Administration/Information Systems  
City of Manchester  
One City Hall Plaza  
Manchester, NH 03101

Attn: Mr. Leo R. Bernier, City Clerk

Re: Central Purchasing and Fleet Management

Dear Committee Members:

As requested, this letter is a response to the communication drafted by Mr. Frank Thomas on October 4, 2006.

The P-Card program greatly reduces the amount of time spent processing payments for the parking division and I would like to see it continue. With regards to Central Purchasing, I just came from an organization that was committed to central purchasing. Several things happened which combined to have an overall negative effect for both field users.

- 1) **No Cost Savings** – The prices that were negotiated on behalf of the company did not include items such as shipping and service charges, which were bumped up enough that they negated any price savings.
- 2) **Difficult Accounting** – Once a master agreement was in place, each office was required to comply with the program. Many offices had special accounting needs and they were in effect penalized by having to keep manual records and to request additional information from the main office, which was not a timely process.
- 3) **Inability to Shop** – Procurement agreements often require that all offices buy only from that supplier. If an office was able to find better pricing or service outside the agreement, they were not allowed to purchase the cheaper product.
- 4) **Inadequate Internal Administrative Support** – The company did not hire additional personnel to manage the various programs. There was no follow up with the vendors to ensure that the proper cost savings were being achieved and there was little support for the accounting personnel at each department.

I understand the benefits of combined purchasing power, however a workable system with adequate internal support and follow-up should be developed in order to ensure its success. This would probably require additional staff to administer, support and continue to negotiate agreements. Whether or not this additional expense would be offset by the cost savings achieved would be the subject of further analysis.

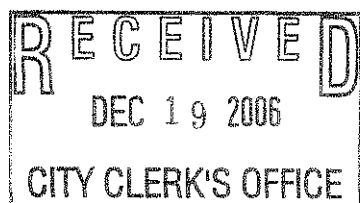
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With regards to centralized fleet management, I wholeheartedly agree with Mr. Thomas' assessment and recommendations and hope that the city moves forward with the program.

Thank you,

*Brandy Stanley*

Brandy Stanley, MBA, CPFM  
Parking Manager



*h*

**Johnson, Carol**

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**From:** Bowen, Thomas  
**Sent:** Friday, December 22, 2006 12:48 PM  
**To:** Johnson, Carol  
**Cc:** Thomas, Frank  
**Subject:** Centralized Purchasing

To: Committee on Administration / Information Systems

From: Tom Bowen, Director  
Manchester Water Works

MWW staff have reviewed Frank Thomas' letter of Oct 4, 2006 and agree with his primary point that the majority of the purchases from the larger departments should remain vested in those respective departments. Staff of MWW have considerable expertise in the development of specifications which are unique to this department.

The procurement of services for major capital projects can only be handled by the individual dept. The annual operating budget for materials, supplies and services at MWW is just over \$6M of that items such as WTP chemicals, electricity, pipe materials, property taxes and paving account for nearly three quarters of the total. The remainder is made up of specialty item required at the plant and general supplies most of which are already covered by either City ( office supplies from WB Mason) or State bids ( automotive supplies and tires ). The remainder of less than \$50,000 amounts to less than 1% of our total purchases. We do not believe that Centralized Purchasing will be of benefit to MWW or our customers.

We do believe that a limited operation to assist purchasing by small departments and to coordinate the distribution of information through out the departments about common purchases would be effective.

Thomas M Bowen, PE  
Director  
Manchester Water Works  
281 Lincoln St  
Manchester NH, 03103  
tel 603-624-6494

12/26/2006

h



**City of Manchester  
Department of Finance**

One City Hall Plaza  
Manchester, New Hampshire 03101  
Phone: (603) 624-6460  
Fax: (603) 624-6549

September 18, 2006

Alderman Dan O'Neil, Chairman  
Committee on Administration / Information Systems  
C/o City Clerk Office  
One City Hall Plaza  
Manchester, NH 03101

***RE: Centralizing purchasing for printing needs***

Dear Alderman O'Neil and Committee Members:

The City has been approached by Specialized Purchasing Consultants Corporation (SPC) to perform a needs assessment and analysis of the City's reprographic systems including copiers, system printers and outside printing requirements. SPC is proposing to use the results of the assessment and analysis to design a reprographic system that will increase the City's capabilities, while reducing our costs. SPC is proposing a similar program with the School District; has made a presentation to the Finance Department and held brief discussions with the mayor.

Based on similar municipal and school district assessments performed by SPC throughout Maine and New Hampshire, there is a potential for the City to realize annual savings in excess of \$100,000. I have enclosed for your review a copy of the summary provided by SPC.

At this time I am requesting approval from the Committee to contract with SPC to undertake the needs assessment and analysis. Upon its completion, I will submit the results back to the Committee. I, along with a representative of SPC, will be available at the next Committee meeting to address any questions you might have relative to this request.

Respectfully submitted,

Randy M. Sherman  
Deputy Finance Officer

Cc: Kevin Clougherty

# Sample References & Purchasing Power of SPC in New Hampshire & Maine

Photocopiers

Municipality	Contact	Tel #	Volume	Population	Average CPP*	Total Cost Before SPC	Total CPP w/ SPC	Total Cost w/SPC	5 Year Cost Savings #	Vendor(s) Awarded the Bid
Augusta ME	Ralph St. Pierre	207-626-2300 X-4168	1,079,578	18,560	\$0.0212	\$22,887.05	\$0.00680	\$7,341.13	\$77,729.62	Apgar & Ikon
Cape Elizabeth ME	Pauline Apotria	207-799-2217	183,495	9,068	\$0.0250	\$4,587.38	\$0.00599	\$1,099.14	\$17,441.20	Ikon
Kennebunkport ME	Nathan Poore	207-967-4243 X-1	310,480	10,476	\$0.0270	\$8,379.86	\$0.00585	\$1,816.31	\$32,817.74	Ikon
Saco ME	Richard Michaud	207-282-4191	767,054	16,822	\$0.0312	\$23,932.08	\$0.00646	\$4,955.17	\$94,884.58	Ikon & Xerox
Derry NH	Russell Marcoux	603-432-6100	1,029,998	22,500	\$0.0151	\$15,511.77	\$0.00552	\$5,685.59	\$49,130.90	Imagistics & Ikon
Totals & Averages >			3,370,605	77,426	\$0.0223	\$75,298.14	\$0.0062	\$20,897.33	\$272,004.04	#4 Different Vendors
Average Number of Copies per Person Per Year >			44							

## Equipment Purchasing & SPC's Compensation:

Example...If retail is \$25,000, then SPC's pricing directly through the Manufacturer is approx \$7,500.  
SPC's Compensation is based on 11 %. Above example our fee would be \$825.

Also, if the average cost per print is \$0.00558 (without SPC) as indicated above, our fee is \$0.000614. (CPC with SPC = \$0.0062)  
Or based on 1,000,000 prints is \$614.00.

\* Note: This category primarily includes just 'Service & Supplies', however, with some clients with shown with an \*, a portion of the equipment was included in this category as a cost per copy rental.

#Note: A portion of the cost savings were allocated to help pay for new equipment that was needed at the time of the upgrade.

Manchester City SPC Appraisal 4/21/2006							5 Year Cost Savings #
CPC Range	Cost-Per-Print	Population	Volume	Total Cost Before SPC	Total CPP w/ SPC's Compensation Included	Total Cost w/SPC's Fee	
Highest	\$0.0312	108871	4,790,324	\$149,458.11	\$0.00620	\$29,700.01	\$598,790.50
Average	\$0.0223		4,790,324	\$106,824.23	\$0.00620	\$29,700.01	\$385,621.08
Lowest	\$0.0151		4,790,324	\$72,333.89	\$0.00620	\$29,700.01	\$213,169.42

## ‘Questions Often Asked with the Answers’

1. Why is the average ‘cost-per-print’ for service & supplies as high \$0.0194 in the above comparisons when in reality it is not difficult to acquire cost per prints as low as \$0.0049 per print?

**Answer:** The industry thrives on confusion!! The more invoices the better. With most municipalities, they have multiple individual monthly or quarterly billing.. For example one of our clients that we upgraded in March of 2006 had Twenty-Eight individual Service & Supply Contracts that were all over the place, ranging from a low of \$0.007 to an incredible high of \$2.56 per print (This machine was being hardly used but they were being invoiced \$536.00 per year); Monthly & Quarterly billing had been set up by the vendors that does not take into account the massive fluctuations in monthly volumes. During the summer months, machines are often idle and yet they are being billed for a minimum amount of copies. On the other hand, during heavy usage months you are hit for an overage! They had literally hundreds of invoices (28 X 12 = 336+– invoices each year) that were impossible to monitor or control without massive amount of time being spent. As a result the cost-per-print goes through the roof.

The only way you can determine exactly what your cost-per-print is to examine both the invoice while you cross verify with the actual meter reads. SPC will offer to do such an audit as part of their contract and establish a simple all inclusive blanket one invoice per year where you pay for what you use, nothing more and nothing less.

2. Do I have to replace all my equipment to get these prices?

**Answer:** No! After SPC does their onsite inspection and survey of key operators, we establish a five year plan that may only replace 25% of your equipment. Anyone is able to drop the cost of operation on new equipment replaced. But the above examples did not replace all of their equipment and yet we were able to drop the cost of operation on the entire copier base.

Example; Client has 30 machines and is doing 5,000,000 prints per year. After an SPC audit, 7 machines were earmarked as necessary to be replaced. These 7 machines are doing 1.5 million prints. SPC will not only drop the cost of operation on the 1.5 million prints but also drop the cost-per-print on the 3.5 million prints that are being done on the remaining units! Therefore, the entire 5,000,000 prints for the entire 30 machines drops dramatically! That is what you are seeing with the school districts mentioned above.

3. With the dropping of cost of operation, will my quality of service go down?

**Answer:** Absolutely not! In fact it will improve. Why? SPC will not only drop the cost of operation, it will initiate Five Year Warranties on both the new and EXISTING equipment that is not replaced. SPC, along with the vendor who is awarded the bid, jointly warranty the new and existing equipment. In addition, because SPC is the largest buyer of equipment across three states; Maine, NH and Vermont, we are able to use this buying power to ensure that the vendors provide you with better service than you have ever had before.

4. I am in the middle of a contractual agreement, how am I able to take advantage of these cost savings?

**Answer:**! Using our buying power, we are able to renegotiate all of your contracts while improving the quality of the equipment and service!

**Please feel free to call any of our clients for a reference!**



**City of Manchester  
Department of Finance**

One City Hall Plaza  
Manchester, New Hampshire 03101  
Phone: (603) 624-6460  
Fax: (603) 624-6549

December 5, 2006

Alderman O'Neil, Chairman  
Committee on Administration  
One City Hall Plaza  
Manchester, NH 03101

RE: Centralizing purchasing for printing needs

Dear Alderman O'Neil and Committee Members:

At the November 20th Committee on Administration meeting, it was requested that a meeting be scheduled between Skip Tilton from SPC and certain department representatives to discuss centralized purchasing as it relates to printing needs.

On November 30th, the department heads from Police, City Clerk, Information Systems, Health and Finance, along with some other key employees, met with Mr. Tilton. Frank Thomas, who had previously seen the presentation, was unable to attend. After nearly two hours of discussion, city staff unanimously agreed that the process should proceed to the next step. I have confirmed with Frank Thomas that he is in agreement with moving ahead as well.

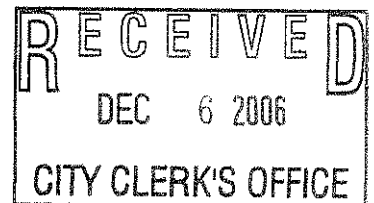
In reaching our conclusion, it was confirmed with Mr. Tilton that the next step would be an assesment and analysis of the city's needs and that upon its completion a five-year plan would be presented. Mr. Tilton also confirmed that after receiving the plan, the city has the option to choose, at its sole discretion, to proceed with a competitive bid process through SPC on either the entire plan, a portion of the plan or reject the plan in its entirety. Staff also confirmed that should the city partake in the bid procedure, the city still has the right to reject any or all of the bid components.

At this time I am requesting approval from the Committee to contract with SPC to undertake the needs assessment and analysis. Upon its completion, I will submit the results back to the Committee for further discussion.

Respectfully submitted,

Randy M. Sherman  
Finance Officer

Cc: Chief Jaskolka  
Deputy Chief Simmons  
Diane Prew  
Jennie Angell  
Tim Soucy  
Leo Bernier  
Tricia Piecuch



7



# MANCHESTER CITY LIBRARY



405 Pine Street  
Manchester, New Hampshire 03104  
603-624-6550

**To:** Jennie Angell, Microcomputer and Networking Manager  
Patricia Piecuch, City Clerk's Office  
**From:** Denise M. van Zanten, Library Director  
**Date:** December 12, 2006  
**Subject:** Specialized Purchasing Consultants, Proposed Contract

The Manchester City Library has a contract with MacGray/Copico to provide and service:

- 6 customer coin-operated photocopiers
- 1 staff black/white photocopier
- 4 coin-operated microfilm/fiche reader/printers (The library owns 1 of these reader/printers)
- 1 networked coin-operated vended printing system, which is used by all main library customers
- all paper and toner for these photocopiers, reader/printers, and vended printer

This revenue-neutral contract provides the library's staff and customers excellent quality copies and printouts, while incurring no capital costs to acquire equipment (except for the one reader/printer), no service charges, and no supply costs. This contract is binding and has been beneficial to the library for many years. We currently have reliable equipment that is well utilized by our staff and public. Note that RSA 202-A:11-a, which governs income-generating equipment for libraries, does not apply to this contract with MacGray/COPICO, because this contract is currently revenue-neutral. If income is generated at a future date, further legal review may be necessary.

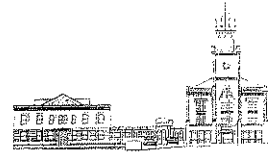
The Manchester City Library Board of Trustees, through the Trust funds, provides an annual budget for office/computer equipment, which the library uses to purchase printers that are specialized to library services, such as receipt printers, spine label printers and the occasional office printer. We do not wish to lose our ability to choose what is essential for library services by dealing with an outside vendor of this magnitude. We also have reservations about any "surcharges" this vendor intends to apply for networked-printing equipment purchased and per-copy costs under their contract. That would not be financially advantageous to the library as we always shop for the best price for top of the line equipment. Nor would this be an effective or efficient use of the limited library Trust Fund resources, which are governed by the Library Board of Trustees. Any contract the library enters into is reviewed by the Library Director and presented to the Library Board of Trustees.

The Manchester City Library recommends that we not participate in any way in the contract that is proposed for centralized printing and copying. It would violate our current contract with MacGray/Copico and would increase costs for printers purchased by the Board of Trustees for the Manchester City Library, as well as per-copy printing costs. The library department does not see how the proposed contract from SPC is in any way as fiscally responsible as our current arrangement.



# CITY OF MANCHESTER

## Office of the City Clerk



Leo R. Bernier  
City Clerk

Carol A. Johnson  
Deputy City Clerk

Paula L-Kang  
Deputy Clerk  
Administrative Services

Matthew Normand  
Deputy Clerk  
Licensing & Facilities

Patricia Piecuch  
Deputy Clerk  
Financial Administration

Memo To: Lisa Thibault

From: Tricia Piecuch  
Deputy Clerk

Date: December 20, 2006

Re: Specialized Purchasing Consultants Corp. Contract

I received today your request for changes/deletions/additions to the contract today. I will be away on vacation during the Christmas holiday and will not return until January 3<sup>rd</sup>.

It was my understanding when attending the Administration Committee meeting that staff was going to sit down together and review concerns and the contract. I am disappointed because I felt it was important to hear from all departments together including Police, Health and Highway in addition to those that previously met as there may be issues or advantages I have not thought of.

As Randy is aware I have several concerns with the contract and since I am not a lawyer would like to have one present for discussion as well to be sure of the interpretation of whatever limits we may be setting for the City. In the event the memo was sent merely to have a basis of discussion I believe the major areas of concern for me were the 5 year contract, charges if utilizing outside services, replacement costs as charges to the departments, and assurance that we can continue with our current vendors without costly charges.

There may have been more, which I will review upon my return.

C: J. Angell  
G. Simmons  
T. Soucy  
F. Thomas  
D. VanZanten  
R. Sherman  
T. Arnold  
Administration Committee Members